GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:171
ANSWERED ON:16.07.2004
INVESTMENT MADE BY UTI
Nitish Kumar Shri ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

(a) whether on the basis of Tarapore Committee Report, the re- sponsibility of the enquiry regarding the investment made by UTI in 89 companies has been entrusted to 17 Chartered Accountants firms;

(b) if so, the total amount invested by UTI in these 89 compan- ies alongwith the names of the companies and the amount invested therein, company-wise;

(c) the company-wise details of the outstanding amount;

(d) the names of the firms which have been assigned the responsibilities of enquiry and the criteria of their identification;

(e) whether the public who have invested several crores of rupees with the UTI are not getting their returns and their faith has eroded; and

(f) if so, the steps taken by the Government to ensure that investees of UTI are fully secured?

Answer

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a to (f): A statement is placed on the Table of the House.

Statement referred to in the reply to the Lok Sabha Starred Question No. 171 raised by Shri Nitish Kumar and Shri Rajiv Ranjan Singh `Lalan`Member of Parliament, for 16th July, 2004 regarding `Investment made by UTI`

(a) Securities and Exchange Board of India (SEBI) has appointed 16 Chartered Accountants` firms for this purpose.

(b) & (c) Details of the outstanding investment of the erst- while UTI in 89 companies (88 companies, one name repeated) is provided in Annexure-A to this reply.

(d) The details of the names of the 16 chartered accountant firms engaged for the purpose is provided in Annexure-B to this reply. The audit firms have been identified from the RBI`s list of Statutory Central Auditors. Factors taken into account for making the selection, inter-alia, include experience of having done mutual fund inspections for SEBI, and not being the statutory auditors of UTI or having members on the UTI board during the period for which the enquiry is to be conducted. Further, the auditors were also asked to disclose their interest in the companies, if any, and their feedback on this aspect was taken into account while assigning the work so as to safeguard against conflict of interest.

(e) & (f) Even though the Net Asset Value (NAV) of US-64 was very low, Government decided to provide at least Rs.10.00 per unit to retail investors which increased by Rs. 0.10 every month ending at Rs.12.00 in May 2003. Other investors in US-64 were assured Rs.10.00 or market value whichever was higher.Government made good to the investors the shortfall in US-64. Similarly, in case of Assured Return Schemes the entire capital and promised returns have been paid till the date of closure or foreclosure, with the Government meeting the shortfall.

Annexure-A as referred to in Part (b) & (c) of the reply to the Lok Sabha Starred question No.171 by Shri Nitish Kumar and Shri Rajiv Ranjan Singh `Lalan` regarding `Investment made by UTI` for reply on 16.7.2004

Outstanding Investment of erstwhile UTI in 88 companies as of 31st January 2003

(Rs. in lakhs)

Sr	Company	Equity	Debt	Total
1	ADANI EXPORTS LIMITED.	4236.16	3017.41	7253.57

2 AFTEK INFOSYS LTD 2192.73 0.00 2192.73
3 ALPS INDUSTRIES LTD 829.42 0.00 829.42
4 AMBICA AGARBATTI & AromaINDS.LTD 1062 0.00 1062.76
5 ATN INTERNATIONAL LTD 1215.12 0.00 1215.12
6 B.A.G.FILMS LTD 0.00 750.00 750.00
7 BALAJI DISTILLERIES LTD 1799.07 0.00 1799.07
8 BALAJI TELEFILMS LTD 157.98 0.00 157.98
9 BORAX MORARJI LTD. 0.00 0.00 0.00
10 BPL LIMITED. 4069.28 0.00 4069.28
11 BUSINESS INDIA PUBLICATION LTD 0.00 0.00 0.00
12 D C M LTD. 1398.62 0.00 1398.62
13 DEWAN HSG FINANCE CORPORATION LTD 990.20 3303.28 4293.48
14 DHAR CEMENT LTD. 27.28 0.00 27.28
15 DHAR INDUSTRIES LTD. 29.26 0.00 29.26
16 DSQ SOFTWARE LTD. 3386.13 0.00 3386.13
17 ELBEE SERVICES LTD(ELBEE EXPRESS) 808.65 0.00 808.65
18 ESSAR OIL LIMITED. 1897.37 12457.41 14354.78
19 ESSAR SHIPPING LTD. 739.36 7204.14 7943.50
20 ESSAR STEEL LTD. 7.09 32839.09 32846.18
21 EUREKA INDUSTRIES LIMITED 156.09 0.00 156.09
22 FUTURA POLYESTERS LTD. 1798.16 0.00 1798.16
23 GALAXY ENTERTAINMENT CORPORATION LTD 28.98 0.00 28.98
24 GEEKAY EXIM (INDIA) LTD 850.88 0.00 850.88
25 GTL LTD 17269.21 0.00 17269.21
26 GUJRAT ADANI PORT LTD 4340.06 0.00 4340.06
27 HIMACHAL FUTURISTIC COMUNICATION LTD 49717.06 0.00 49717.06
28 HOTEL LEELA VENTURE Ltd. 0.29 867.96 868.25
29HY-GRADE PELLETTS LTD. 0.00 23402.58 23402.58
30 IAG COMPANY LTD. 0.00 0.00 0.00
31 INDIAN SEAMLESS METAL TUBES LTD 3747.75 1890.43 5638.18
32 INFORMATION TECHNOLOGIES LTD. 8546.82 0.00 8546.82
33 ISPAT INDUSTRIES LTD. 4436.01 31688.83 36124.84
34 JAIN STUDIOS LTD. 1230.15 0.00 1230.15
35 JBF INDUSTRIES LTD. 1194.85 0.00 1194.85
36 JENSON & NICHOLSON (I) LTD. 546.63 914.29 1460.92
37 JIK INDUSTRIES LTD 1957.81 0.00 1957.81
38 JINDAL IRON & STEEL CO. LTD. 0.00 16168.36 16168.36
39 JINDAL VIJAYNAGAR STEEL LTD. 1557.46 37423.63 38981.09
40 JK CORP LIMITED. 3213.41 8301.34 11514.75
41 KIRLOSKAR ELECTRIC CO.LTD. 95.12 1122.52 1217.64
42 KOPRAN LTD. 1008.25 3990.00 4998.25
43 LLOYDS STEELS INDUSTRIES LTD. 1385.83 1719.10 3104.93
44 LUPIN LTD. 3053.61 2947.06 6000.67
45 MAFATLAL INDUSTRIES 2499.50 0.00 2499.50
46 MALVIKA STEEL LTD. 402.78 11202.63 11605.41
47 MALWA COTTON SPG. MILLS LTD. 1987.06 0.00 1987.06
48 MARWAR HOTELS LTD 1393.20 0.00 1393.20
49 MOBILE TELE-COMMUNICATIONS LTD 1668.18 0.00 1668.18
50 MODERN THREADS (INDIA) LTD. 37.88 1263.96 1301.84
51 MODI RUBBER LTD. 2360.14 0.00 2360.14
52 MORARJEE GOKULDAS SPG.& WVG.CO.LTD. 308.39 0.00 308.39
53 MTZ INDUSTRIES LTD. 702.06 0.00 702.06
54 MTZ POLYFILMS LTD. 1776.05 0.00 1776.05
55 MUKTA ARTS LTD 0.00 0.00 0.00
56 NUMERO UNO INTERNATIONAL LTD. 910.61 0.00 910.61
57 OSWAL CHEMICALS & FERTILIZERS LTD. 2515.35 11072.05 13587.40
58 PAAM PHARMACEUTICALS (DELHI) LTD. 10.16 196.63 206.79
59 PADMALAYA TELEFILMS LTD. 0.00 0.00 0.00
60 PADMINI TECHNOLOGIES LTD. 951.77 610.78 1562.55
61 PAL - PEUGEOT LTD. 410.14 2303.05 2713.19
62 PARASRAMPURIA SYNTHETICS 1325.57 0.00 1325.57
63 PENNAR INDUSTRIES LTD. 724.41 365.60 1090.01
64 PENTAMEDIA GRAP HICS LTD. 155.38 0.00 155.38
65 PRITISH NANDY COMMUNICATION LTD 13.79 0.00 13.79
66 RAMA PHOSPHATES LTD. 1031.60 1484.25 2515.85
67 RANBAXY LABORATORIES LTD 31586.31 0.00 31586.31
68 RELIANCE CAPITAL LTD. 1494.70 0.00 1494.70
69 RELIANCE INDUSTRIES LTD 320251.81 197721.05 517972.86
70 RELIANCE PETROLEUM LTD. 0.00 0.00 0.00
71 ROOFIT INDUSTRIES LTD 1955.66 500.00 2455.66
72 S. KUMARS NATIONWIDE LTD 2526.55 2151.89 4678.44
73 SATYAM COMPUTERS LTD 60376.49 0.00 60376.49
74 SHARDUL SECURITIES LTD. 0.00 0.00 0.00
75 SHONKH TECHNOLOGIES LTD 1230.04 0.00 1230.04
76 SILVERLINE TECHNOLOGIES LTD 2726.74 0.00 2726.74
77 SOUNDCRAFT INDUSTRIES LTD 1893.86 0.00 1893.86
78 SSI LTD. 10893.12 0.00 10893.12
79 STEEL TUBES OF INDIA LTD. 425.16 0.00 425.16
80 SUN EARTH CERAMICS LTD. 1285.71 502.30 1788.01
81 SUN INFOWAYS LTD 528.10 0.00 528.10
82 TRIVENI ENGINEERING & IND LTD 1093.15 0.00 1093.15
83 USHA ISPAT LTD. 437.34 3036.51 3473.85
84 VERONICA LABORATORIES LTD. 0.00 0.00 0.00
85 VICEROY HOTELS LTD 842.06 1341.29 2183.35
86 VISUALSOFT TECHNOLOGIES LTD 4263.09 0.00 4263.09

87	WELSPUN INDIA LIMITED.	4195.21	225.00	4420.21
88	ZEE TELEFILMS LTD.	57230.70	0.00	57230.70

Grand Total 1081385.15

Annexure-B as referred to in Part (d) of the reply to the Lok Sabha Starred question No.171 by Shri Nitish Kumar and Shri Rajiv Ranjan Singh `Lalan` regarding `investment made by UTI` for reply on 16.7.2004

Name of the 16 Chartered Accountants Firms engaged for the auditing of the investment made by the erstwhile UTI in 88 companies are as follows:

1) M/S. B. K. KHARE & CO.
2) M/S. SINGAVI, OTURKAR & KELKAR
3) M/S. CHHAJED & DOSHI
4) M/S. M. M. NISSIM & CO.
5) M/S. BORKAR & MAZUMDAR
6) M/S. R. DEVENDRA KUMAR & ASSOCIATES
7) M/S. CHATURVEDI & SHAH
8) M/S. LOONKER & CO.
9) M/S. BHUCHAR & CHANDAK
10) M/S. UMMED JAIN & CO.
11) M/S. SHANKARLAL JAIN & ASSOCIATES
12) M/S. N. B. SHETTY & CO.
13) M/S. MUKUND M. CHITALE & CO.
14) M/S. KHANDELWAL JAIN & CO.
15) M/S. SUDIT K. PAREKH & CO.
16) M/S. CHOKSHI & CHOKSHI